

**AFRAID BONUS
WILL INCREASE
INTEREST RATE**

Republicans Foresee Effect
on Market of Borrowing
Millions—Must Care for
Short Term Notes.

NO CASH FROM EUROPE

By MARK SULLIVAN
WASHINGTON, Jan. 26.—It isn't merely the bulk of the soldiers who are demanding a bonus; what weighs more with congress is the fact that the bulk of the people generally seem to be demanding it.

It was readily apparent that the one episode that had most to do with causing Harding and the other Republican leaders to change from an election held in Ohio last fall. That election was on the specific issue of a bonus to be paid by the state locally to its own soldiers. The project carried by a vote of something like 900,000 to 300,000, and the state was directed by the clear mandate of the people to make an initial appropriation of some \$25,000,000.

That was interpreted as an unmistakable indication of public feeling such as no party in power can ignore. It might be said that if the thing is not right the party ought to be willing to resist and go out of power. But that is the sort of counsel of perfection which no party lives up to.

Partially Correct.
Moreover, the Republicans are more or less in the right when they say that they are granting the bonus not because they say that they are granting the bonus but because they fear re-election, but because it is the duty of those who are managing the country to obey an unmistakable mandate of public opinion.

The subject is unmistakably difficult, and it is causing the leaders more worry than any other thing in the present political situation. They understand Secretary Mellon's opposition, and admit it is sound. Incidentally Mr. Mellon in his letter, did not make clear the largest single financial objection to passing the bonus bill at this time.

The objection rests on interest rates. The interest rate on money for both public and private borrowers has been going down steadily. The chief reason is that the government, by a gradual process, has been spending less and less money for over two years past. It was on the first of September, 1919, that the peak of government expenditures was passed.

May Reverse Process
This gradual reduction of government expenditures and of interest rates might be expected to continue to go on, but if the government must borrow something like a billion more during the present year, in order to meet the bonus, the process will be reversed.

From Mr. Mellon's point of view, the heart of the situation lies in the fact that the government already has among its debts six and a half billion dollars of short-term notes which will come due and must be paid within the next sixteen months. In the normal course Mr. Mellon would pay off these notes by borrowing an equivalent sum from the public on refunding bonds, which would run for many years.

Fear Interest Rates
Normally, Mr. Mellon could expect to make this new borrowing at a reasonably low rate of interest. But if he must, in addition, raise another billion dollars to meet the bonus, the interest rates will go up. Not only will the interest rate of the billion involved in the bonus be high but it will also be high on the other six and a half billions.

Whatever rate is fixed will extend over many years of years. It has been said that to pay the bonus now would amount to paying it twice, once in the shape of the present cash payment and once in the shape of the unnecessarily added interest burden. To put it another way, the government could better afford to pay the soldiers two billion dollars this year from now than one billion dollars now.

The best informed persons tell me that the project of paying the bonus out of receipts from our European debtors is sheer nonsense. There is not the faintest prospect of getting any cash payment that amounts to anything out of these European countries in the near future.

Get Better Security
In the operation of refunding these European debts, we shall be able to get a different and better form of security, and otherwise manage things to our advantage, but no well informed person believes we will get any measurable amount of immediate cash.

Anyhow this whole suggestion is a mere bookkeeping operation. Any money we get from Europe will go into the treasury, and will be available to meet the ordinary treasury obligations. To attempt to earmark it for the soldiers bonus is camouflage. It is merely the sort of device that worried politicians use to make things seem what they are not.

President Harding does not share this disposition to camouflage. On the contrary, he is understood to deplore it, and to insist firmly that whatever bonus bill is passed shall be in good faith with the soldiers and shall carry as a part of the bill some definite means of raising money, except by new and additional forms of taxation.

Bill Will Go Through.
The bill will undoubtedly go through somehow or other. Secretary Mellon's opposition will not defeat it. When the same bonus bill was pending last July Mr. Mellon wrote a letter similar to the present one, but that did not head it off. Thereafter the Republican leaders in the senate appealed to President Harding, and he

**GOVERNMENT TO SUE
DAYTON COMPANIES
ON WAR CONTRACTS**

(By Associated Press)
WASHINGTON, Jan. 26.—The government is ready to bring suit against the Dayton Wright company and the Wright Martin Aircraft corporation, to recover a total of more than \$7,000,000 in alleged over payments on war contracts, Attorney General Daugherty announced today.

The suits to be filed against the two concerns, would be civil proceedings only, Mr. Daugherty said.

The proceedings against the Dayton Wright company he said, would be brought in federal courts in Ohio and against the Wright-Martin plant in New York.

Work of investigating the war fraud cases generally will continue as fast as the magnitude of the undertaking would permit. Mr. Daugherty asserted, adding that "while the innocent need feel no alarm, the government will exhaust every civil and criminal remedy to reach the guilty."

DAYTON, O., Jan. 26.—Both H. E. Talbot, president and G. M. Williams, general manager of the Dayton Wright company of Dayton were out of the city today. However, a few days ago, they announced that the trouble was the result of a misinterpretation of the contracts by the government.

Both officials, before leaving the city, expressed confidence that the matter would be settled in a satisfactory manner.

PAVING OF NATIONAL
HIGHWAY WILL COST
\$27,000 PER MILE

(By Associated Press)
INDIANAPOLIS, Jan. 26.—Bids for paving the gaps of the national road submitted today to the state highway commission, indicated that the payment would cost between \$25,000 and \$27,000 a mile, according to Lawrence Lyons, director of the commission.

The bids did not include the cost of cement.

In all, 96 bids were submitted for the 56 miles of paving and they ranged \$250,000 between the high and low. Contracts for the work will be awarded later by the commission.

CHINA'S ACCEPTANCE
OF SHANTUNG OFFER
AWAITS PEKING WORD

(By Associated Press)
WASHINGTON, Jan. 26.—The Shantung controversy had been brought under the spotlight today through President Harding's direct move to bring Japan and China together on the issue that now appears to present the only serious obstacle to a speedy conclusion of the whole range of arms conference negotiations.

The result of the president's direct appeal to Minister Sze of the Chinese delegation who went to the White House yesterday with Secretary Hughes that China accept the latest compromise offer on the Tsingtao railroad issue, appeared today to hinge largely on the attitude of Peking.

Acceptance by the Japanese delegates of the renewed offer of "good offices" by Secretary Hughes and Arthur J. Balfour, hitherto declined, was understood to have opened the way for the president's move to secure Chinese acceptance of the compromise plan sponsored by those officials.

No Formal Pledge
While there was said to have been no formal pledge of approval by Japan, the acceptance was regarded as a foregone conclusion. Under the proposal Japan would abandon her proposition for a loan to China, the latter purchasing the railroad with treasury notes payable at option of five to 15 years hence. China's concession would be withdrawal of her opposition to retention of a Japanese traffic manager and chief accountant during the period of payment.

Agreement on a policy as to development of Chinese wireless facilities still remained to be reached today by the far eastern committee, the inconclusive debate which occupied all of yesterday's session centering about the question of whether a competitive or co-operative policy should be adopted.

**MAY WELD FACTORS
FRIENDLY TO LABOR
INTO ORGANIZATION**

(By Associated Press)
CHICAGO, Jan. 26.—According to a report published today plans for a coalition of all factors in public life friendly to labor have been instituted by a group of the 15 to 18 railroad unions and invitations extended for a general conference to be held here on February 20, to perfect such an organization.

The purpose of forming such an amalgamation, according to the report is to further the interest of labor and to throw the support of labor to the candidates for public office that are favorable to it, regardless of political party.

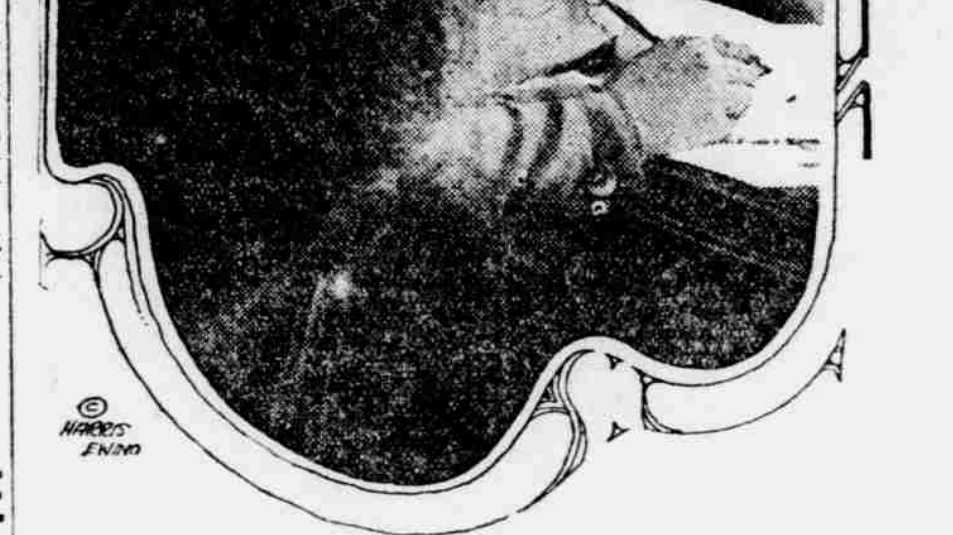
Invitations to attend the conference it was said have been extended to heads of the Socialist party, the Non-Partisan party, the Farmer-Labor party, members of the "Committee of Forty-eight" and the American Federation of Labor, as well as other labor chiefs.

Appoint Committee
A committee to work out the organization of the coalition has been appointed, says the report, composed of E. J. Manion, president of the Telegraphers' union, as chairman; Warren S. Stone, president of the

Grant's Granddaughter Urges Aid for Russian Exiles

WASHINGTON, Jan. 26.—(Special)—After a residence of twenty years in Russia, Princess Cantacuzene, who was born in the White House during the presidency of General Grant, her grandfather, has returned to Washington. In the old War building at 532 Seventeenth street, where General Grant had his office during his term as secretary of war in 1865, while the State, War and Navy building across the street was under construction, she has opened headquarters for the American central committee for Russian relief, the only organization aiding refugees outside of Russia.

The Russians we help gave all they had to the allied cause. They are now dying from cold and hunger, refugees from Bolshevism. They did their part. Will you do yours? This is the slogan.



Princess Cantacuzene at her desk at headquarters for the American Central Committee for Russian Relief.

**FRIENDS OF SOLDIER BONUS LEGISLATION
CONFIDENT OF ACTION AT CAUCUS TONIGHT**

PALLADIUM NEWS BUREAU
WASHINGTON, Jan. 26.—Friends of soldier bonus legislation are confident that the caucus of Republican members of the house of representatives, to be held this evening, will instruct the ways and means committee to bring out a bonus bill as speedily as possible. Supporters of this legislation have no fear that it will be delayed by the ways and means committee because Representative Fordney, chairman of the committee, has always been an active bonus advocate.

It is understood that the bill which the ways and means committee will report provides a complete plan for raising and distributing the gratuities. It is also understood that when this bill has been introduced in the house, it will be given the right of way over all legislation except the appropriation bills and will retain its priority until final action has been taken on it.

The success obtained by the friends of the bonus bill in having the Republican house leaders call a majority caucus came on the heels of President Harding's action in stating that he favors adjusted compensation for service men of the late war provided the bill carried specific provision for ob-

(Continued on Page Three)

**FIVE N. Y. BUILDINGS
WIPED OUT BY FIRE;
LOSS OVER \$200,000**

(By Associated Press)
NEW YORK, Jan. 26.—The great plant of the Morse Drydock and Repair company, occupying six blocks along the Brooklyn waterfront between Erie Basin and Fort Hamilton, was threatened with destruction today when fire wiped out five shop buildings, entailing a loss estimated at \$200,000 and upwards.

The fire started in the company's garage and destroyed 50 automobiles. The fire spread to the boiler shop, tool room, pipe shop and other shops before the firemen, summoned by four alarms, succeeded in checking the flames.

The floating drydock, said to be the largest in the world, caught fire, but was soon extinguished. The tanker S. M. Spalding from Los Angeles was in the dock.

**5 DIE FROM EATING
PRESERVED GREENS**

(By Associated Press)
BOISE, Idaho, Jan. 26.—The death toll stood at five today in the family of Charles W. Tuttle, of Cambridge, Idaho, as a result of botulism poisoning from eating preserved greens at a birthday dinner Sunday for Harriet Tuttle, youngest member of the family. Two daughters and three sons are dead and the father is not expected to live. Miss Bessie Clark, 15, a guest, and Russell Tuttle, another son, who also partook of the poisoned vegetables, have not yet shown symptoms of the poisoning. Tuttle's daughters preserved the greens.

Weather Forecast

MOORE'S LOCAL FORECAST
Unsettled and warmer tonight and Friday; occasional snow or sleet.

Under the influence of valley shape storm extending from Saskatchewan, southward to Texas, the weather will become unsettled followed by snow or sleet, which is due to arrive sometime during the next 24 hours, with general moderation.

For Indiana by the United States Weather Bureau—Cloudy; probably local snows tonight and Friday warmer.

Temperatures For Yesterday.
Maximum 22
Minimum 2 below
Today.

Noon
Weather conditions.—The storm continues over the Gulf coast with heavy rains over Louisiana, Texas, Mississippi and Alabama. Snow and rains over Georgia and South Carolina. Cool weather has overspread the Florida peninsula. It remains very cold over the New England states and the St. Lawrence valley, with temperatures 20 to 30 below zero, in the latter district. It is much warmer over western states, due to a general fall in barometric pressure over British Columbia.

WOLVES, DRIVEN BY STORM,
KEEP VILLAGERS INDOORS
LEON, Spain, Jan. 26.—Owing to the heavy snowfall in the mountain regions, large numbers of wolves have made their way down the slopes into the plain districts. The villagers of Corniero and Sopena are unable to leave their homes after dark owing to the large number of wolves prowling the streets.

Paid Circulation
Yesterday, was
11,575

**BENEDICT XV
BURIED WITH
SOLEMN RITES**

Historic and Beautiful Ritual
Witnessed Only by Mem-
bers of the Sacred College
and Few Others.

BODY LIES IN CRYPT

(By Associated Press)
ROME, Jan. 26.—Pope Benedict XV was entombed with solemn and impressive ceremony this afternoon. His body, enclosed in three caskets and dressed in the pontifical robes, lies in a crypt under the great basilica of St. Peter's to the right of the entrance.

The historic and beautiful ritual was witnessed only by members of the Sacred College, members of the pontifical household, the papal nobility and diplomats accredited to the Vatican. The great bronze doors of St. Peter's had been closed at noon, cutting off the great stream of humanity which for three days had been passing before the great catafalque where the body lay in state.

The ceremony began with the removal of the body from the chapel of the Holy Sacrament to the chapel of the choir. It rested upon a bier which was borne upon the shoulders of the red-robed ushers, whose usual functions are to carry the pope in the papal chair in pontifical processions.

Chant Anthem.
The funeral cortege was headed by the Vatican clergy bearing torches and chanting the anthem "Exaltabunt Dominum" on either side of the bier strode members of the Swiss guards and the papal gendarmes.

As the procession moved the choir of the chapel Julia in flowing robes of purple sang the "Miserere." Noble guards in dazzling full dress uniforms, formed an escort of honor, and the pontiff's bier was covered with a tapestry of red damask upon which the body had rested while lying in state in the basilica.

All the morning a seemingly endless stream of humanity flowed past the bier in the basilica where the body lay and the scenes of the past three days were repeated, except that the crowd seeking admittance to the cathedral was greater if anything than before. Churchmen, pilgrims and laymen mingled in the mass that strove to gain admission in time to get a glimpse of the dead pontiff.

Breaking the shuffling of feet inside the basilica was the sound of hammers as workmen built the catafalque on which the body was borne in the funeral procession.

PHILADELPHIA, Jan. 26.—Catholics of the Philadelphia diocese today paid silent tribute to the late Pope Benedict XV and offered prayers for the repose of his soul. Divine assistance also was asked in guiding the cardinals in the selection of a new pope.

In compliance with the request of the Right Rev. Michael J. Crane, auxiliary bishop to Cardinal Dougherty, solemn high masses of requiem were celebrated in nearly every Catholic church in the diocese. All parochial schools were closed and the pupils were requested to attend the masses in their parishes.

No further word has been received from Cardinal Dougherty, who was on a holiday cruise to the West Indies when the pope died. He is expected to arrive in New York tomorrow on the steamship Salsburgh and will fly to Philadelphia the same day. Plans have been made for him to sail for Rome on Saturday to attend the sacred conclave at which Pope Benedict's successor will be chosen. The personnel of the party that will accompany the cardinal has not been announced.

BALTIMORE, Jan. 26.—A pontifical high mass of requiem for Pope Benedict XV was sung at the cathedral this morning with Archbishop Curley as celebrant, assisted by members of the local clergy. Bishop Thomas J. Shanley, rector of the Catholic University at Washington, delivered the eulogy.

**100 STREET CARS
BURN IN CHICAGO**

CHICAGO, Jan. 26.—Fire seriously damaged the Devon avenue car barn here early today, destroyed 100 street cars and forced fifty families living nearby in cottages to the streets scantily clad. Wellington Fish, general manager of the surface lines, said the loss would be approximately \$1,500,000.

Two hundred other street cars were saved when, with the motive power automatically shut off they were coupled together and hauled from the barn by motor trucks.

Gasoline stored in the barn caused numerous explosions but no one was injured. Sparks fell on the roofs of a score of cottages but these small blazes were quickly extinguished. Windows in thirty homes were shattered by the intense heat.

**PHILIPPINES NEED
\$10,000,000, WOOD**

MANILA, P. I., Jan. 26.—Governor General Wood in a message to the legislative body today urged authorization for a \$10,000,000 bond issue, which he said would complete the financial rehabilitation of the Philippine government if bills previously introduced providing for the issue of \$27,500,000 of bonds are passed.

He explained that rehabilitation of Philippine finance requires issuance of about \$27,000,000 of bonds guaranteed by the United States government. Leaders in the legislature predicted the bills would be passed before adjournment two weeks hence.

**BAD RAILROAD LINES
HOLD UP RELIEF FOR
STARVING IN RUSSIA**

(By Associated Press)
GENOA, Jan. 26.—Nineteen million persons are suffering intensely for want of food in Russia and 15,000,000 will certainly die unless succored. Dr. Fridtjof Nansen told the League of Nations' international committee on relief in Russia here yesterday.

Dr. Nansen said he was dissatisfied with the way in which the Russian government had acted under the agreement signed on Aug. 27, the transportation situation especially leaving much to be desired.

In giving the new details of the situation in Russia, he declared the total population affected was 33,000,000, and it was now too late to save all, even if the workers were able to use the railroad lines at full capacity. As a matter of fact it would only be possible to move six hundred tons of cereals between now and the harvest, which, even if nothing were withheld for seed, could only save 6,000,000 or 7,000,000 persons.

Furthermore the committee had insufficient funds at present to buy the necessary stocks, the 26,000,000 gold francs at its disposal being inadequate. More funds must be raised before the month of May, after which all help would be in vain.

**WOMAN WHO FASTED
53 DAYS BY ORDER
OF HUSBAND, TO LIVE**

(By Associated Press)
MADISON, Ind., Jan. 26.—Mrs. Violet I. Roche, who was compelled by her husband to fast 53 days, is expected to recover, by attending physicians. She has shown slight improvement since eating light foods.

William Roche, the husband, made his wife fast to cure rheumatism, it is said. He is confined in jail and is continuing a hunger strike, begun when he was arrested. It was first believed Mrs. Roche would die.

The husband has expressed a desire to die, it is said, if Mrs. Roche should fail to recover.

**POLITICS, SHOP TALK
ARE INTERMINGLED BY
REPUBLICAN EDITORS**

(By Associated Press)
INDIANAPOLIS, Jan. 26.—Political and shop talks were intermingled by the Indiana Republican Editorial association members today. The association held the first session of its annual mid-winter meeting this morning and heard the address of E. J. Hancock, publisher of the Daily News-Gleaner, president of the organization. Remarks were made by Jesse Pierce of the Clinton, Clinton, and George D. Lindsey of the Chronicle, Marion, secretary and treasurer, respectively.

Between the morning and afternoon sessions the editors found an opportunity to discuss politics with the members of the Republican state central committee, which was in session here.

The program for the sessions this afternoon includes addresses of interest to newspaper publishers. Talks will be given this afternoon by J. M. Schmid of the Indianapolis News on "Building Circulation," O. Faulstich of The Republican, Rushville, on

(Continued on Page Fourteen)

**3 MEN SUSPECTED
OF BEING ROBBERS**

(By Associated Press)
DANVILLE, Ill., Jan. 26.—William Keating, James Brennan and Claude Coake were arrested here yesterday on request of Sheriff Peare, of Rockville, Ind., who suspects them of participating in the bank robbery at Montezuma, Ind., Jan. 11. The prisoners were taken to Rockville by the Indiana sheriff.

On the day of the robbery a Montezuma woman saw four men in an auto, whom she suspected of being bootleggers and engaged them in conversation, also noticing the license number on the car. This later proved to belong on the car of a Chicago physician, which evidently had been stolen.

The men were arrested on information given by this woman.

**CHILE DELAYS NAMING
DELEGATE TO U. S.**

(By Associated Press)
SANTIAGO, Chile, Jan. 26.—The appointment of Chile's representative to the proposed conference in Washington to settle differences between Chile and Peru arising from the treaty of Anson has been deferred. It was stated after a cabinet meeting yesterday.

The newspaper La Nacion in an editorial on the conference asserts that it should be clearly established before the Chilean envoys embark for Washington that the negotiations shall not alter the terms of the treaty, which "was the basis of the North American invitation and of Chile's acceptance."

**FATE OF SHIP CREW
IS STILL IN DOUBT**

(By Associated Press)
ST. JOHN, N. B., Jan. 26.—The fate of Captain Waarl and eight members of the crew of the sunken Norwegian steamer Mod may be learned today from their rescued comrades, being brought to this port aboard the Read liner Melmorehead.

**CUT FREIGHT
RATES, PLEA
OF FARMERS**

Railway Transportation Sub-
Committee's Report Urges
Corporations and Labor
"Share Deflation."

CONSIDERING REPORTS

(By Associated Press)
WASHINGTON, Jan. 26.—Reduction of freight rates on farm products and products of allied industries and sharing by both railroad corporations and labor of "deflation of charges now affecting all industries," was recommended in the railway transportation sub-committee report prepared today for submission to the transportation committee of the national agricultural conference.

The committee declared labor should not carry the whole reduction, but the railroads should take their share, saying the railroads made \$500,000,000 profit last year when farmers lost \$7,000,000,000.

The committee also recommended withdrawal by congress of authority to the interstate commerce commission to fix valuation of real estate held by railroads at more than its actual cost or more than the value of similar adjacent lands in making up the capital account of the railroads.

Recommendations
Repeal of the guaranty clause of the Transportation Act, restoration to the state railroad commissions of full powers as of date when railroads were taken over by the United States government but retention by the commission of control of movement of empty cars in interstate business were urged.

Recommendation, it was declared, should be made to the interstate commerce commission that the present relation between the charges for long and short haul in the inter-mountain regions be not disturbed.

Dr. H. J. Waters of Kansas City, chairman of the general committee on transportation said today that the report of the sub-committee would be considered later in the day and a report prepared for the conference.

Must Decide.
The United States is approaching a condition of adverse food balance and must decide whether to retain a proper ratio between agriculture and industry or permit the latter to take a dominant lead at the expense of the former. Dr. Ed Ball, director of scientific work of the department of agriculture declared in an address today before the national agricultural conference. "The nation's balance between the two fields of endeavor will be last he warned, unless the tendency toward industrial dominance, 'is made one of the major problems for national consideration.'"

"The critical period in which a determination must be made is close at hand," he declared, adding that the situation requires a complete reorganization of the national life, since the problem of increasing the food supply for an increasing population must concern every industry.

Pleads for Knowledge.
If American agriculture is to succeed in competition with the skill, natural resources and cheaper labor of other countries, "we must depend upon our superior knowledge," Raymond A. Pearson, president of Iowa State college of Agriculture and Mechanical Arts told the conference, in a plea for increased agricultural research.

"New methods for reducing cost of production, for the better distribution of farm products and better methods of marketing are sorely needed at this time," he said, adding that "such methods will help to reduce the cost of living."

A national policy for agricultural research Mr. Pearson declared, should provide for a liberal federal and state financial support. Higher salaries he said, were needed to attract able men to the research work since the scientific ranks were being depleted rapidly by industrial concerns offering greater remuneration. He also advocated special scholarships and fellowships to provide competent men for the work.

Hear Reports.
Winding up the program of formal addresses the conference was expected to prepare for consideration of committee reports and resolutions. It was thought possible that some of the committee recommendations might be taken up by the conference late today.

Recommendations covering an intermediate credit system to provide farmers with working capital already have been drafted by the committee assigned to this problem. Little opposition to its report is anticipated, since President Harding and virtually every other speaker before the conference has suggested such a program to relieve the present situation of the producers.

Certain delegations who favor endorsement by the conference of the activities of the "agricultural bloc" in congress were understood today to be still undecided whether to introduce such a resolution.

Among matters on which the conference is expected to take action are resolutions dealing with readjustment of railroad labor pay, reduction of freight rates, crop insurance and waterways transportation.

GENOA CONFERENCE
TOO EARLY, SAYS U. S.
(By Associated Press)
WASHINGTON, Jan. 26.—Indications were given in official circles today that the United States is adverse to participation in general European economic conference, should such a meeting be held at the time set for the Genoa gathering, but would look with more favor on a conference to be held at a later date.